HARMONY RECORDS

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Dear FTC Commissioners:

\* Robert Pitofsky, Chairman Sheila S. Anthony Mozelle W. Thompson Orson Swindle Thomas B. Leary



Do you realize that by eliminating the Minimum Advertised Price (MAP) of recorded music the following will result:

Prices at the consumer level will not decrease, although the media is proclaiming great savings. The distributors will continue to charge the same amounts as they currently do to all stores and sub-distributors.

The buying public will have less stores from which to buy their favorite music as many independent local stores will be caught in a price war squeeze that will force their closing. History will be repeated as it was prior to MAP when in the mid-nineties over 1,000 record stores were forced to close and Chapter 11 in this industry was notorious.

The "loss leader" will re-appear its ugly head, but only to sell other products at mass merchandisers. The "hits" will be footballed but catalog prices will not be discounted. Products from new developing artists, ethnic and minority oriented music will not be available and the neighborhood store, which carries these recordings, will no longer be there.

My fellow independent record dealers and I applaud map and the sense of stability it brought to the music industry.

I feel strongly that the major distributors' intentions were not to "squelch discounting of music" but rather to protect not only the retailing base but also the interest of the consumer.

The message is wrong! I urge you to rescind the proposed consent order.

Yours Truly, Ylann Velger, President Harmony Records